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Jeffrey M. Nelson Chief Counsel & Director of Legal Services

June 15, 2018

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire Chief Clerk & Administrator Public Service Commission of South Carolina 101 Executive Center Drive, Suite 100 Columbia, South Carolina 29210

Re: Joint Petition of Aiken Electric Cooperative, Incorporated; Coastal Electric Cooperative, Incorporated; Edisto Electric Cooperative, Incorporated; Palmetto Electric Cooperative, Incorporated; and South Carolina Electric & Gas Company for the Assignment and Reassignment of Territory in Allendale, Bamberg, Barnwell, and Colleton Counties and Approval of Agreements to Limit Corridor Rights

Docket No: 2018-149-E

Dear Ms. Boyd:

By this letter, the Office of Regulatory Staff ("ORS") hereby notifies the Public Service Commission of South Carolina ("Commission") that ORS has reviewed and does not object to the filing submitted by Aiken Electric Cooperative, Incorporated ("Aiken Electric"); Coastal Electric Cooperative, Incorporated ("Edisto Electric"); Palmetto Electric Cooperative, Incorporated ("Palmetto Electric") and South Carolina Electric & Gas Company ("SCE&G") (collectively, the "Parties") for the Assignment and Reassignment of Territory in Allendale, Bamberg, Barnwell, and Colleton Counties and Approval of Agreements to Limit Corridor Rights ("Joint Petition").

Under S.C. Code Ann. § 58-27-610(1) (2015), the Commission may reassign a portion of previously assigned service areas upon agreement of the affected electric suppliers. The Joint Petition includes the request to (A) assign and reassign various territories in Allendale County between Edisto Electric, Palmetto Electric, and SCE&G, (B) assign and reassign various territories in Bamberg County between Coastal Electric, Edisto Electric, and SCE&G, (C) assign and reassign various territories in Barnwell County between Aiken Electric, Edisto Electric, and

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SCE&G, (D) assign and reassign various territories in Colleton County between Coastal Electric, Edisto Electric, and SCE&G, and (E) limit "corridor rights" in specified areas in Allendale, Bamberg, Barnwell, and Colleton Counties.

Under S.C. Code Ann. § 58-27-620(8) (2015), the Commission may approve agreements between electric suppliers concerning corridor rights. The Parties request approval of their agreement not to assert corridor rights outside the territory assigned to them in the area described in the Joint Petition.

The Parties indicate their agreement resulted from lengthy and good faith negotiations, the desire to avoid wasteful duplication of electric distribution lines, and to operate those systems safely. In addition, the Parties have given careful consideration to system economy, service reliability and good utility practice, efficiency and safety. If approved, ORS recommends requiring the Parties to file amended territorial assignment maps for Allendale, Bamberg, Barnwell, and Colleton Counties to reflect the modifications requested in the Joint Petition

If you have any questions, please do not hesitate to contact me.

Sincerely,

effrey M. Nelson

cc: Joseph Melchers, Esquire (via E-mail)